

Informational Bulletin FY2008-09 provides that "sales for resale" made at the pump are no longer authorized after May 1, 2008. (This is a GIL.)

August 14, 2008

Dear Xxxxx:

This letter is in response to your letter dated May 15, 2008, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

COMPANY is requesting a private letter ruling regarding sales made with our card-lock fueling system. This letter is prompted by the Illinois Department of Revenue Informational Bulletin FY2008-09 regarding sales for resale at the pump.

Here are the facts of our sales:

1. COMPANY's customer is issued a fueling card to purchase fuel at our private locations, as well as at certain retail gas stations.
2. When the sale is completed at the retail gas station, COMPANY captures the sale and bills the customer the pump price.
3. These sales are reported on our ST-2 from each retail site. i.e. When our customer's card is accepted at a retail gas station, that station is set up as a retail site under our sales tax identification number.
4. The retail station reports the purchases made by our customer as sales for resale.
5. COMPANY reimburses the station their fuel cost plus an override.

COMPANY is requesting that they be allowed to continue reporting sales and remitting sales tax in this manner. Our invoices indicate that the customer is paying sales tax to us and not the station. A copy of one of our invoices is enclosed.

Please advise as to your opinion on this matter

DEPARTMENT'S RESPONSE

Your letter describes a transaction which is identical to transactions described in Informational Bulletin FY 2008-09. Your letter indicates that COMPANY issues its customers a fueling card to purchase fuel at certain retail gas stations. These retail gas stations make a "sale for resale" at the pump to COMPANY. COMPANY then files returns and makes payment of tax to the Department on these transactions as the ultimate retailer of fuel to its customers.

As Informational Bulletin 2008-09 indicates, effective May 1, 2008, "sales for resale" at the pump are no longer authorized. As a result, we are unable to issue the ruling you have requested.

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Sincerely,

Jerilynn Troxell Gorden
Deputy General Counsel
Sales and Excise Taxes

JTG:msk